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Number of Alabama state employees up since 2004; drop likely as economy cools

Hiring freeze possible as economy cools, Riley says

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MONTGOMERY - Alabama's state agencies ended the 2008 fiscal year with more full-time employees than any year since 1998, reports from the state comptroller's office show.

State agencies reported 39,174 full-time workers on Sept. 30, the end of the 2008 fiscal year, an increase of 1.8 percent, or 680 employees, from the year before.

But Gov. Bob Riley and others said they expect the number of state government employees to drop this year as a weak economy and other factors lower state revenues. Riley said he soon may announce hiring freezes to gradually reduce the number of workers in many departments, excluding a few areas chronically short of workers, such as the Corrections Department that runs prisons.

"What we're doing now is going back and reassessing everyone's personnel, in every department," Riley said. "There are certain areas out there, like Corrections, there's no way we can cut personnel there. There are other agencies where we probably can. That's what we're trying to determine right now."

General Fund concerns:

The General Fund, a major source of state tax dollars for non-education agencies, has grown fast in recent years. General Fund spending jumped from \$1.261 billion in fiscal year 2004 to \$1.834 billion last year, a rise of \$572.6 million, or 45.4 percent, in four years.

But a weak economy, lower natural gas prices, slumping interest rates and a plunging stock market could combine to slow this year's growth in tax collections, interest payments, capital gains and other revenues for the General Fund, or even lower it. Riley and others said they doubt the General Fund's revenues this year will reach its budgeted spending of \$2.017 billion.

State government's recent employee count of 39,174 wasn't a record. Courts, district attorneys, the Legislature and dozens of boards and agencies that oversee prisons, highways, child welfare and other services employed a few thousand more people in the early and mid-1990s.

But the latest employee total was the highest for the end of any fiscal year since Gov. Fob James in 1998 encouraged state workers to retire early. The total at the end of fiscal 1998 was 34,836. The number of state workers climbed under James' successor, Gov. Don Siegelman, reaching 37,673 on Sept. 30, 2002, toward the end of Siegelman's term.

The number of state workers fell in fiscal 2003, when Riley took office, and in fiscal 2004, years that saw weak growth or declines in regular General Fund revenues. There were 36,444 full-time state government workers at the end of fiscal 2004. Four years later, there were 2,730 more, an increase of 7.5 percent.

"If you look at it over the last three or four years, there has been a gradual increase, almost across departments," Riley said. "And it's something that we need to go back and assess, whether or not it was critically important to that department to have those additional people."

Riley said his administration has tried to hire more state troopers and more prison correctional officers. But in other departments, he said, "we will be talking to each one of the department heads to see whether or not all of the additional hiring was warranted."

Mac McArthur, executive director of the Alabama State Employees Association, said state services have expanded. He pointed to creation of the state Homeland Security Department and increased health care coverage for teenagers from lower-income families.

"The need for state services has gone up," McArthur said. "And you've seen the corresponding increase in state employees."

State agencies that had more people on Sept. 30 than the year before included:

The Corrections Department. It added 201 full-time employees, an increase of 5.5 percent, mostly new correctional officers or trainees. The agency had 3,865 employees on Sept. 30.

The Public Health Department. It added 116 full-time employees, an increase of 3.2 percent. The agency had 3,755 employees on Sept. 30. About 90 percent of the new hires work in county health offices in programs such as home health care that help poor or disabled people on Medicaid, said department spokeswoman Kathy Vincent.

Also, the Transportation Department added 66 full-time employees, a rise of 1.4 percent, and the Public Safety Department, which includes state troopers, added 49 employees, a rise of 3.5 percent.

But not all agencies saw increases. The Department of Human Resources had 4,320 full-time employees on Sept. 30, a decline of 2.9 percent, or 129 workers, in a year. Agency employees investigate child abuse, enforce child support, oversee foster care and run a federal food-assistance program for poor people, among other things.

State Rep. John Knight, D-Montgomery, said recent growth in the number of state employees has been reasonable. He said he does not think state government is overstaffed.

"I think we get good benefit from our state employees," said Knight, who chairs the Government Appropriations Committee of the state House of Representatives. "This does not mean I don't believe there's some waste. I'm just talking about overall."

Other states:

Among Southeastern states, Alabama placed in the middle in terms of the number of state agency employees per 1,000 residents, according to a Birmingham News review of U.S. Census Bureau reports of state employees in March 2007 and state population estimates for July 2007, the latest available.

The number of full-time equivalent state government employees, excluding hospital and education workers, per 1,000 residents was: 10.48 in Arkansas; 9.34 in Kentucky; 9.00 in Louisiana; 8.49 in South Carolina; 7.90 in Mississippi; 7.74 in Alabama; 7.57 in North Carolina; 7.07 in Virginia; 6.86 in Tennessee; 6.85 in Florida, and 6.79 in Georgia.

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